Distr.
GENERAL

IDB.15/13
15 April 1996

United Nations Industrial Development Organization ORIGINAL: ENGLISH

**Industrial Development Board**
Fifteenth session
Vienna, 6-10 May 1996
Item 7 of the provisional agenda

# UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1995, INCLUDING OPERATIONAL ACTIVITIES FOR DEVELOPMENT

**Operational activities for development**

Note by the Director-General

**Summary**

Reports on measures taken and to be taken for the implementation of General Assembly resolutions 47/199 and 50/120. Provides information on the implementation of Industrial Development Board decision IDB.12/Dec.10 on UNIDO activities in support of improving the capacity of developing countries for national execution of projects.

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**Distr.: 17 April 1996**

**Abbreviations**

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| ACC | Administrative Committee on Coordination |
| IPF | indicative planning figure |
| LDC | least developed country |
| TSS-2 | technical support services at the project level |
| UCD | UNIDO Country Director |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |

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## Introduction

1. At its fiftieth session, the United Nations General Assembly adopted resolution 50/120 on the triennial policy review of operational activities for development of the United Nations system. This resolution builds upon, confirms, reinforces and expands the provisions of earlier resolutions on the same and related subjects, especially resolution 47/199.

2. The resolution touches upon important areas, particularly new specific modalities for financing of operational activities, priority allocation of grant resources, division of responsibility and greater complementarity among members of the United Nations development system within the context of United Nations reform, the country strategy note, improved regional coordination, capacity-building and better utilization of national resources through the programme approach and national execution, increased decentralization and delegation of authority, improved monitoring and evaluation, strengthening of the resident coordinator system and field-level committees, common premises and shared administrative systems and services, simplification and harmonization of rules and procedures, continuum from humanitarian assistance through rehabilitation to development, and evaluation of the impact of operational activities for development.

3. The present note is submitted in compliance with the provisions of paragraph 51 of General Assembly resolution 47/199 and paragraph 55 of General Assembly resolution 50/120 as well as in response to Industrial Development Board decision IDB.12/Dec.10 on capacity-building for national execution. It describes measures taken by UNIDO in the application and implementation of relevant stipulations contained in those resolutions and decision. In so doing, it updates the information provided to the Board at its fourteenth session in document IDB.14/22. The subjects covered herein will also be dealt with, from a wider perspective, in the annual report of UNIDO for 1995.

## I. PRIORITY ALLOCATION OF GRANT RESOURCES
**(General Assembly resolution 50/120, para. 11)**

4. In keeping with the provisions of General Assembly resolutions 47/199 and 50/120, UNIDO assistance has been directed as a matter of priority to Africa and the LDCs. Indeed, the industrialization of Africa and LDCs through emphasizing the promotion of linkages between industry and agriculture is a special dimension of the seven thematic priorities of UNIDO for the 1996-1997 biennium.[1]

## II. AGREED DIVISION OF RESPONSIBILITY AND GREATER COMPLEMENTARITY
**(General Assembly resolution 50/120, paras. 13 and 16)**

5. The question of an agreed division of responsibility among members of the United Nations development system and of greater complementarity in the implementation of their respective mandates has been the subject of a prolonged debate in several forums, including in particular ACC. For that purpose, several inter-agency mechanisms have been devised and applied, with varying degrees of success, such as inter-agency agreements and working arrangements, inter-agency task forces on specific subjects, subsidiary bodies of ACC, committees established as follow-up to major conferences, system-wide programmes and initiatives.

6. The most recently established mechanism is the United Nations System-wide Special Initiative on Africa, launched in March 1996 by the Secretary-General. UNIDO intends to participate actively in the Initiative and, in order to support the achievement of its goals, has developed the complementary Alliance for Africa's

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[1] Additional information on this subject is provided in documents IDB.15/6, chap. III, and IDB.15/10, chap. II.

Industrialization (IDB.15/6, para. 20). Moreover, UNIDO has been reviewing its relationship agreements and working arrangements with other organizations and institutions of the system in order to enhance their effectiveness and to establish new ones whenever so required. Thus, for instance, the memorandum of understanding with UNDP is under negotiation in the light of changing circumstances and needs and will be finalized by mid-1996. A joint communiqué covering a wide range of cooperation activities with UNCTAD was signed in April 1996.

## III. COUNTRY STRATEGY NOTE (General Assembly resolution 50/120, paras. 14, 17-21)

7. The General Assembly, in its latest deliberation on the country strategy note, reinforced the notion that the note, where in place, should be the common framework for country programmes of United Nations system organizations.

8. Wherever applicable and whenever so required, UNIDO has been actively participating in and contributing to the formulation of country strategy notes. In elaborating its own country support strategies, the UNIDO Secretariat has taken into account the framework provided by United Nations country strategy notes. In this context, it is noteworthy that the new approach towards project cycle management being introduced as part of the reform process of UNIDO (IDB.15/14) may result in changes to the concept underlying country support strategies and to their specific formulation.

## IV. CAPACITY-BUILDING AND BETTER UTILIZATION OF NATIONAL RESOURCES THROUGH THE PROGRAMME APPROACH AND NATIONAL EXECUTION (General Assembly resolution 50/120, paras. 22-30; Industrial Development Board decision IDB.12/Dec.10, para. (c))

9. In addition to the integrated and thematic programmes to which reference was made in document IDB.14/22 and which are under implementation, UNIDO has developed the seven thematic priorities that form the basis of its overall programme for the current biennium. In applying the contents of the seven thematic priorities, emphasis will be put on the programme approach modality and its impact on capacity-building.

10. Specifically, in the accelerated reform in the second half of 1995, UNIDO developed a limited number of high-impact integrated programmes that illustrate and substantiate the type of services that UNIDO will develop and implement in the future. Five such integrated programmes were selected, based on the following criteria:

(a) To respond to expressed priority demand of Member States;

(b) To focus on and specify support services under the seven thematic priorities;

(c) To integrate analytical work, policy advice and institutional support;

(d) To put into effect the comparative advantage of UNIDO in the United Nations system;

(e) To enable and foster cross-divisional teamwork within UNIDO;

(f) To involve the private sector both as beneficiary and as counterpart.

11. The five programmes cover:

(a) Integrated advisory services for industrial policy formulation and competitiveness strategies;

(b) Global network for the promotion of competitive and innovative small and medium industrial enterprises;

(c) The UNIDO quality programme: an application to the food-processing sector of seven sub-Saharan countries;

(d) Introduction of new technologies for abatement of global mercury pollution;

(e) A UNIDO programme for women's entrepreneurship.

More detailed information on these programmes is given in the report on the reform issued to the General Conference (GC.6/30).

12. As far as national execution is concerned, it is significant to note that the total value of UNIDO operational projects funded from UNDP IPF resources and implemented through national execution during the current year was comparable with other IPF-funded projects executed by UNIDO at the end of February 1996.

13. UNIDO participation in system-wide efforts to assess the impact of national execution is covered in earlier documents on the subject (IDB.12/9, chap. III; IDB.14/22, chap. III). As reported in the latter, the following main lessons drawn should be highlighted: (a) early involvement of technical and specialized agencies in the design and formulation stage creates a

good basis for determining the nature and extent of agency participation in programme and/or project implementation; (b) the role of National Project Directors is essential in ensuring good coordination of inputs; (c) the provision of technical support services by the agencies, such as those funded by the UNDP TSS-2 facility, greatly contributes to efficient and effective delivery; (d) the existence of adequate institutional and managerial capacity in the country is an essential element for success; and (e) clear systems of accountability and specific guidelines in the implementation of the national execution modality are urgently required.

## V. DECENTRALIZATION AND DELEGATION OF FIELD-LEVEL AUTHORITY
**(General Assembly resolution 50/120, para. 31)**

14. As part of the reform process and the recognized need to strengthen the UNIDO field presence and its efficiency and effectiveness, several measures have been taken or are being considered to delegate greater authority to UCDs, as reported separately in document IDB.15/12.

## VI. IMPROVED MONITORING AND EVALUATION
**(General Assembly resolution 50/120, paras. 32-35)**

15. Under the reform process of UNIDO, considerable improvements have been achieved through the rationalization of internal procedures, including those related to auditing and accounting, and the introduction of modern management methods with decentralization of authority and increased accountability.

16. As part of the recent changes in the organizational structure, the Quality Assurance and Evaluation Branch has been moved to General Management, under Policy Coordination. This ensures both full independence from programme development and implementation considerations and a closer linkage with monitoring functions.

## VII. ACTION REQUIRED OF THE BOARD

17. The Board may wish to take note of the present document and make appropriate recommendations.